Business opportunities from natural capital challenges

NATURE’S GOODS AND ITS SERVICES

THE CHALLENGES

The quantity and quality of three key natural capital elements are being degraded at an alarming rate thereby impacting business.

BIODIVERSITY

Half

the populations of mammals, fish, birds, reptiles and amphibians have been lost since 1970¹.

The total annual economic cost of biodiversity loss and ecosystem degradation is up to 7.5% of global GDP².

10 million

hectares of arable land are being eroded or degraded every year².

Unsustainable farming methods are currently stripping the topsoil of nutrients at 10 to 40 times the rate that it can be naturally replenished with major consequences for company productivity³.

SOIL

One-fifth

of the world’s aquifers are being overexploited⁴.

68% of Global 500 company respondents reported that water-related issues pose a substantive risk to their business⁵.

WATER

60% of Global 500 company respondents reported that water-related issues pose a substantive risk to their business⁵.

THE OPPORTUNITIES

When these three elements and their interactions are sustainably managed they provide tangible benefits for business.

DECREASED COSTS

Investing in natural capital can decrease business costs by:

- Limiting the amount of expensive inputs required to counter the degradation of water, biodiversity and soil
- Securing the supply of scarce resources

REDUCED RISKS

Integrating natural capital into core business decisions can reduce risk by:

- Ensuring resilience of natural resources
- Anticipating regulatory demands
- Strengthening company performance

ENHANCED BRAND

Managing business impacts on natural capital can strengthen brand by:

- Reinforcing consumer trust
- Creating investor interest
- Benefiting society at large

REVENUE GENERATION

Securing natural capital can generate revenue growth by:

- Ensuring a timely supply of raw materials of the right quantity and quality
- Guaranteeing sustainable yields from existing land

Find out more: Join the conversation at www.cisl.cam.ac.uk/NatCap

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